

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other				Local Government Name		County	
Audit Date		Opinion Date		Date Accountant Report Submitted to State:			

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☐ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☐ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☐ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☐ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☐ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☐ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☐ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☐ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			
Reports on individual federal financial assistance programs (program audits).			
Single Audit Reports (ASLGU).			

Certified Public Accountant (Firm Name)				
Street Address		City	State	ZIP Code
Accountant Signature <i>Siegfried Crandall P.C.</i>			Date	

*Galesburg-Charleston Fire Department*  
*Kalamazoo County*  
**FINANCIAL STATEMENTS AND**  
**INDEPENDENT AUDITORS' REPORT**  
*Year ended June 30, 2005*

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## INDEPENDENT AUDITORS' REPORT

**Members of the Board  
Galesburg-Charleston Fire Department**

We have audited the financial statements of the Galesburg-Charleston Fire Department as of and for the year ended June 30, 2005, as listed in the contents. These financial statements are the responsibility of the Fire District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Galesburg-Charleston Fire Department as of June 30, 2005, and the results of its operations for the year then ended in conformity with the Governmental Accounting Standards Board.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The required supplemental information, on page 12, is presented for additional analysis and is not a required part of the financial statements of the Galesburg-Charleston Fire Department, but is supplementary information required by the Governmental Accounting Standards Board. Such information has been subjected to the procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole. The Galesburg-Charleston Fire Department has not presented a management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In accordance with *Government Auditing Standards*, we have issued our report dated February 8, 2006, on our consideration of the Galesburg-Charleston Fire Department's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Siegfried Crandall P.C.*

February 8, 2006

## **BASIC FINANCIAL STATEMENTS**

**Galesburg-Charleston Fire Department****GOVERNMENTAL FUND BALANCE SHEET/STATEMENT OF NET ASSETS**

June 30, 2005

	<u>Operating Fund</u>	<u>Adjustments</u>	<u>Statement of net assets</u>
<b>ASSETS</b>			
Cash	\$ 5,121	\$ -	\$ 5,121
Receivables	680	-	680
Prepaid insurance	783	-	783
Capital assets	<u>-</u>	<u>653,154</u>	<u>653,154</u>
Total assets	<u>\$ 6,584</u>	<u>\$ 653,154</u>	<u>\$ 659,738</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 8,045	\$ -	<u>\$ 8,045</u>
<b>FUND BALANCE (DEFICIT)</b>	<u>(1,461)</u>	<u>1,461</u>	-
Total liabilities and fund balance	<u>\$ 6,584</u>		
<b>NET ASSETS</b>			
Investment in capital assets		653,154	653,154
Unrestricted net deficit		<u>(1,461)</u>	<u>(1,461)</u>
Total net assets		<u>\$ 651,693</u>	<u>\$ 651,693</u>
Operating Fund - deficit			\$ (1,461)
Amounts reported in the statement of net assets are different because:			
Capital assets used in <i>governmental activities</i> are not financial resources and, therefore, are not reported in the fund.			<u>653,154</u>
Net assets of <i>governmental activities</i>			<u>\$ 651,693</u>

See notes to financial statements

**Galesburg-Charleston Fire Department****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE/STATEMENT OF ACTIVITIES***Year ended June 30, 2005*

	<u>Operating Fund</u>	<u>Adjustments</u>	<u>Statement of activities</u>
<b>EXPENDITURES/EXPENSES</b>			
Fire protection - operations	\$ 99,383	\$ 67,298	\$ 166,681
Capital outlays	207,333	(207,333)	-
Total expenditures	<u>306,716</u>	<u>(140,035)</u>	<u>166,681</u>
<b>PROGRAM REVENUES</b>			
Intergovernmental charges:			
Charleston Township	62,250	-	62,250
City of Galesburg	62,250	-	62,250
Total intergovernmental charges	124,500	-	124,500
Capital grants and contributions	182,980	-	182,980
Cost recoveries and other	8,042	-	8,042
Total program revenues	<u>315,522</u>	<u>-</u>	<u>315,522</u>
<b>NET PROGRAM REVENUES</b>	8,806	140,035	148,841
<b>PROCEEDS FROM THE SALE OF CAPITAL ASSETS/LOSS ON DISPOSITION</b>	<u>13,644</u>	<u>(22,335)</u>	<u>(8,691)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES/CHANGE IN NET ASSETS</b>	22,450	117,700	140,150
<b>FUND DEFICIT/NET ASSETS - BEGINNING</b>	<u>(23,911)</u>	<u>535,454</u>	<u>511,543</u>
<b>FUND DEFICIT/NET ASSETS - ENDING</b>	<u>\$ (1,461)</u>	<u>\$ 653,154</u>	<u>\$ 651,693</u>

*See notes to financial statements*



***Galesburg-Charleston Fire Department***

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE/STATEMENT OF ACTIVITIES (Continued)**

*Year ended June 30, 2005*

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Net change in fund balance (from page 6)	\$ 22,450
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Amounts reported in the statement of activity are different because:

Capital assets:

Additions	207,333
Net book value of dispositions	(22,335)
Provision for depreciation	<u>(67,298)</u>

Change in net assets	<u>\$ 140,150</u>
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*See notes to financial statements*

**Galesburg-Charleston Fire Department**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The accounting policies of the Galesburg-Charleston Fire Department (the Department), conform to U.S. generally accepted accounting principles (hereinafter referred to as generally accepted accounting principles) as applicable to governments. The following is a summary of the more significant policies:

*a) Reporting entity:*

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, these financial statements present the Department. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included. The Department has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a blended or discretely-presented component unit in the Department's financial statements. Also, the Department is not a component unit of any other entity.

The Department is a jointly governed organization created by the Township of Charleston and the City of Galesburg to provide fire protection within the participating municipalities. Costs of operations and capital expenditures are supported by contributions from the participating municipalities. The Board of the Department is composed of two members from each of the municipalities and one at large member.

*b) Government-wide and fund financial statements:*

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all activities of the Department. Currently, all activities of the Department are classified as governmental activities, primarily supported by intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Intergovernmental support and other items not properly included among program revenues are reported instead as general revenue.

Financial statements are provided for the sole governmental fund as a separate column in the basic financial statements.

*c) Measurement focus, basis of accounting, and financial statement presentation:*

The government-wide financial statements are reported using the economic resources, measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Intergovernmental revenues are recognized in the year for which they intended. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**Galesburg-Charleston Fire Department**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

*c) Measurement focus, basis of accounting, and financial statement presentation (continued):*

The governmental fund financial statements are reported using the current financial resources, measurement focus, and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

State grants, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the government.

The government reports a single major governmental fund, the Operating Fund, which accounts for all financial resources of the Department.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in the government-wide financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Department has elected not to follow subsequent private-sector standards.

Amounts reported as program revenue include: (1) intergovernmental support from sponsoring municipalities, (2) charges to customers or applicants for cost recoveries or privileges provided, and (3) operating/capital grants and contributions. Internally dedicated resources are reported as general revenue rather than as program revenue.

*d) Assets, liabilities and fund equity:*

*i) Bank deposits* - Cash consists of demand deposits and savings accounts.

*ii) Prepaid items* - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

*iii) Capital assets* - capital assets, which consist of vehicles and equipment are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

**Galesburg-Charleston Fire Department**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

*d) Assets, liabilities and fund equity (continued):*

*iii) Capital assets* - Capital assets are depreciated using the straight-line method over the following useful lives:

Building and improvements	40 years
Vehicles	15 - 20 years
Equipment	5 - 15 years

*iv) Fund equity* - In the fund financial statements, the Operating Fund reports reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**NOTE 2 - CASH:**

Deposits are carried at cost and are maintained at a single financial institution in the name of the Department. Michigan Compiled Laws, Section 129.91, authorizes the Department to deposit and invest in the accounts of federally-insured banks, credit unions, and savings and loan associations. The Department's deposits are in accordance with statutory authority. Custodial credit risk of deposits is the risk that in the event of the failure of a depository financial institution, the Department will not be able to recover its deposits. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and are uncollateralized. As of June 30, 2005, the Department's bank balance of \$7,328 was fully covered by federal depository insurance.

**NOTE 3 - CAPITAL ASSETS:**

Capital asset activity of the Department for the current year was as follows:

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
Vehicles	\$ 537,464	\$ 199,843	\$ 75,000	\$ 662,307
Equipment	<u>239,640</u>	<u>7,490</u>	<u>-</u>	<u>247,130</u>
Total capital assets	<u>777,104</u>	<u>207,333</u>	<u>75,000</u>	<u>909,437</u>
Less accumulated depreciation for:				
Vehicles	161,302	42,584	52,665	151,221
Equipment	<u>80,348</u>	<u>24,714</u>	<u>-</u>	<u>105,062</u>
Total accumulated depreciation	<u>241,650</u>	<u>67,298</u>	<u>52,665</u>	<u>256,283</u>
Capital assets, net	<u>\$ 535,454</u>	<u>\$ 140,035</u>	<u>\$ 22,335</u>	<u>\$ 653,154</u>

**Galesburg-Charleston Fire Department**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 4 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:**

a) *Budgetary information* - An annual budget is adopted on a basis consistent with generally accepted accounting principles for the Operating Fund. The budget document presents information by function and line items. The legal level of budgetary control adopted by the governing body is the line item level. Amounts encumbered for purchase orders, contracts, etc., are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered. Significant actual expenditures in excess of budgeted are as follows:

	<u>Amended budget</u>	<u>Actual</u>	<u>Variance</u>
Operating supplies	\$ 1,200	\$ 2,425	\$ 1,225

b) *Accumulated deficit* - The Operating Fund of the Department has an accumulated fund deficit balance of \$1,461. The deficit is the result of revenues inadequate to cover expenditures in prior years. The Department plans to eliminate this deficit through revenue enhancement and cost reduction measures.

**NOTE 5 - CLAIMS ARISING FROM RISKS OF LOSS:**

The Department is exposed to various risks of loss due to general liability, property and casualty, and workers' compensation potential claims. The risks of loss arising from general liability up to \$1,000,000 aggregate, building contents and property damage, and workers' compensation coverage are managed through purchased commercial insurance.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**Galesburg-Charleston Fire Department**  
**BUDGETARY COMPARISON SCHEDULE - Operating Fund**

Year ended June 30, 2005

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
<b>REVENUES</b>				
Federal grants	\$ -	\$ 175,500	\$ 175,500	\$ -
Contributions from local units	120,000	141,195	124,500	(16,695)
Cost recoveries	-	-	7,519	7,519
Other:				
Sales of capital assets	-	-	13,255	13,255
Donations	-	7,480	7,730	250
Miscellaneous	<u>4,000</u>	<u>-</u>	<u>662</u>	<u>662</u>
Total revenues	<u>124,000</u>	<u>324,175</u>	<u>329,166</u>	<u>4,991</u>
<b>EXPENDITURES</b>				
Public safety:				
Wages	69,750	53,940	51,100	2,840
Insurance	16,700	17,500	15,098	2,402
Rent	9,000	7,200	7,200	-
Hydrant rental	-	11,895	6,923	4,972
Payroll taxes	6,950	5,200	3,909	1,291
Utilities	3,000	2,500	3,006	(506)
Repairs and maintenance	6,500	5,500	2,776	2,724
Operating supplies	1,200	1,200	2,425	(1,225)
Fuel and oil	1,500	1,800	2,060	(260)
Phone	1,400	1,475	1,247	228
Professional services	2,000	2,000	1,127	873
Pager parts	1,000	1,000	901	99
Education and training	800	500	740	(240)
Other	<u>3,200</u>	<u>4,163</u>	<u>871</u>	<u>3,292</u>
Total public safety	<u>123,000</u>	<u>115,873</u>	<u>99,383</u>	<u>16,490</u>
Capital outlay	<u>1,000</u>	<u>208,123</u>	<u>207,333</u>	<u>790</u>
Total expenditures	<u>124,000</u>	<u>323,996</u>	<u>306,716</u>	<u>17,280</u>
<b>CHANGE IN FUND DEFICITS</b>	-	179	22,450	22,271
<b>FUND DEFICIT - BEGINNING</b>	<u>(23,911)</u>	<u>(23,911)</u>	<u>(23,911)</u>	<u>-</u>
<b>FUND DEFICIT - ENDING</b>	<u>\$ (23,911)</u>	<u>\$ (23,732)</u>	<u>\$ (1,461)</u>	<u>\$ 22,271</u>

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**Members of the Board  
Galesburg-Charleston Fire Department**

We have audited the financial statements of the Galesburg-Charleston Fire Department, as of and for the year ended June 30, 2005, and have issued our report thereon dated February 8, 2006. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Galesburg-Charleston Fire Department's statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

**Internal control over financial reporting**

In planning and performing our audit, we considered the Galesburg-Charleston Fire Department's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control over financial reporting that, in our judgment, could adversely affect Galesburg-Charleston Fire Department's ability to record, process, summarize, and report data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of comments and recommendations.



A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. However, we believe that all of the reportable conditions listed in the accompanying schedule are material weaknesses.

This report is intended for the information of management, the federal awarding agency, and pass-through entity and is not intended to be, and should not be, used by anyone other than these specified parties.

*Siegfried Crandall P.C.*

February 8, 2006

**Galesburg-Charleston Fire Department**  
**COMMENTS AND RECOMMENDATIONS**

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**Managing the results of operations**

*Finding:*

Policies and procedures to eliminate a fund deficit as of June 30, 2004 and 2005, were not effective. The fund deficits were not detected because interim reporting was based on cash activity, without adjustment for the effects of payables for products and services received to date.

*Recommendations:*

Interim financial reporting must reflect current payables data, so that deficit avoidance/elimination plans are comprehensive.

**Document retention and location**

*Finding:*

Capital assets owned by the Department are reflected in records maintained by the outside auditor, rather than by management of the Department. By not taking responsibility for the investment in capital assets and changes therein, management runs the risk of not having knowledge about adequacy of insurance coverage, expected capital outlay needs and the relationship of repairs and maintenance to the level of capital assets.

*Recommendation:*

The Department should develop and maintain a detail schedule of capital assets owned, based on a physical inventory. Both purchased and donated items should be included. The Department should also develop a capitalization policy that permits the proper reporting of capital assets within the Department's financial statements. Procedures should be established to identify annually those costs to be capitalized and to identify specific dispositions.

For those capital assets whose unit cost is below the capitalization threshold, the Fire Chief, or other responsible individual, should develop and maintain an inventory of such items. It is not necessary that cost information be included. Each year, a report should be provided to the Board as to changes therein.

*Finding:*

Turnover in board trustees and changes in the level of involvement by key trustees has resulted in inconsistent document retention and uncertainty as to the location of key documents. The Board is at risk when minutes, contracts, agreements, and grant awards cannot be located.

*Recommendation:*

The location of key documents should not be based on who currently holds a trustee position - the Department must have an accessible, permanent location for its records. A record retention schedule should be adopted.

**Galesburg-Charleston Fire Department**  
**COMMENTS AND RECOMMENDATIONS**

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**Testing of firemen's pay**

*Finding:*

Calculations of firemen's pay are made by the Fire Chief, who in turn provides only gross pay amounts to the bookkeeper, for payment processing. At no time are gross pay amounts checked against fire runs for completeness and accuracy. Such checks serve to demonstrate the Board's expenditure oversight.

*Recommendation:*

A random sample of three to five individuals should be selected from each pay run for testing, which would consist of comparing fire runs accumulated to actual run sheet data, testing math accuracy of total run data by individual, and recalculating gross pay amounts (run data times pay rates in effect). While it is preferable to test before the checks are processed, testing could occur shortly after check issuance. A record should be kept of which pay amounts were checked and when. Findings of the tests should be communicated to the Fire Chief and to the Board.